

AMENDED IN ASSEMBLY MAY 30, 2002

AMENDED IN SENATE APRIL 17, 2001

SENATE BILL

No. 1092

Introduced by Senator Sher

February 23, 2001

An act to ~~amend Section 1368 of~~ *add Section 1348.9 to* the Health and Safety Code, relating to health care service plans.

LEGISLATIVE COUNSEL'S DIGEST

SB 1092, as amended, Sher. Health care service plans.

Existing law, the Knox-Keene Health Care Service Plan Act of 1975, provides for the regulation of health care service plans by the Department of Managed Health Care. ~~The act requires, as part of this regulation, that each plan establish and maintain a system approved by the department whereby subscribers and enrollees may submit their grievances to the plan.~~

~~This bill would define the term grievance for these purposes. The bill would also define the term "complaint" and would make distinctions between grievances and complaints. This bill would also require each plan to develop a mechanism for logging, tracking, and reviewing complaints submitted by subscribers and enrollees.~~

~~Because this bill would place additional requirements on health care service plans which are governed by the Knox-Keene Health Care Service Plan Act of 1975, a violation of which is a crime, it would create a state-mandated local program.~~

~~The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state.~~

~~Statutory provisions establish procedures for making that reimbursement.~~

~~This bill would provide that no reimbursement is required by this act for a specified reason. Existing law requires each plan licensed by the department to pay various fees associated with the department's regulatory activities, including a share of costs and expenses associated with financial examinations, grievances, and complaints.~~

This bill would require the Director of Managed Health Care to adopt regulations on or before July 1, 2003, to establish the Consumer Participation Program, which would allow for the director to award reasonable advocacy and witness fees to any person who demonstrates that the person represents the interests of consumers and who has made a substantial contribution on behalf of consumers to the adoption of any order, regulation, or decision made by the director, other than the resolution of individual grievances, complaints, or cases. The bill would provide that fees awarded under these provisions would be considered costs and expenses of the department that may be recovered from health care service plans.

Vote: majority. Appropriation: no. Fiscal committee: yes.
State-mandated local program: ~~yes~~ no.

The people of the State of California do enact as follows:

- 1 ~~SECTION 1. Section 1368 of the Health and Safety Code is~~
- 2 ~~SECTION 1. (a) The Legislature finds and declares that~~
- 3 ~~consumer participation programs at the Public Utilities~~
- 4 ~~Commission and the Department of Insurance have been a~~
- 5 ~~cost-effective and successful means of encouraging consumer~~
- 6 ~~protection, expertise, and participation in rate setting and~~
- 7 ~~adjudicatory and quasi-legislative proceedings.~~
- 8 ~~(b) The Legislature further finds and declares that by ensuring~~
- 9 ~~that these proceedings have the benefit of consumer expertise and~~
- 10 ~~evidence, consumer participation programs have saved California~~
- 11 ~~taxpayers billions of dollars and have significantly improved the~~
- 12 ~~decisions made by the affected agencies.~~
- 13 ~~(c) It is the intent of the Legislature to establish a consumer~~
- 14 ~~participation program administered by the Department of~~
- 15 ~~Managed Health Care that will promote the interests and effective~~
- 16 ~~representation of consumers and assist the department in ensuring~~
- 17 ~~affordable and effective delivery of health care to the people of this~~



1 state who are eligible to enroll in or subscribe to a health care
2 service plan or a specialized health care service plan.

3 (d) It is further the intent of the Legislature that this act shall
4 be administered in a manner that encourages the effective and
5 efficient participation of all organizations representing the
6 interests of consumers that have a stake in the regulation of health
7 care service plans or specialized health care service plans.

8 SEC. 2. Section 1348.9 is added to the Health and Safety
9 Code, to read:

10 1348.9. (a) On or before July 1, 2003, the director shall adopt
11 regulations to establish the Consumer Participation Program,
12 which shall allow for the director to award reasonable advocacy
13 and witness fees to any person who demonstrates that the person
14 represents the interests of consumers and who has made a
15 substantial contribution on behalf of consumers to the adoption of
16 any order, regulation, or decision made by the director.

17 (b) The regulations adopted by the director shall include
18 specifications for eligibility of participation, rates of
19 compensation, and procedures for seeking compensation.

20 (c) This section shall apply to all proceedings of the
21 department, but shall not apply to resolution of individual
22 grievances, complaints, or cases.

23 (d) Fees awarded pursuant to this section shall be considered
24 costs and expenses pursuant to Section 1356.

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27 **All matter omitted in this version of the**
28 **bill appears in the bill as amended in the**
29 **Senate April 17, 2001 (JR 11)**
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